



## HB22-1097

**SHORT TITLE:** Dissolution of Special Districts

**LONG TITLE:** Concerning the authority of a board of county commissioners to file an application for dissolution of a special district with the special district's board of directors, and, in connection therewith, allowing a board of county commissioners to consent to dissolution by court order without an election of a special district with no outstanding financial obligations or debt.

**SPONSORS:** Representative Valdez, D./Senator Simpson

**COMMITTEES:** House Transportation & Local Government Committee

**PURPOSE OF THE BILL:** To allow a board of county commissioners to apply to the board of a special district to petition the court for dissolution of the special district and to consent to dissolution without holding an election if the district has no outstanding financial obligations or debt

**PROPOSERS OF THE BILL:** There is growing concern in Colorado among policymakers about the proliferation of special districts and overlapping taxing authorities.

**POTENTIAL STAKEHOLDERS:** All special districts, county commissioners (CCI)

**BACKGROUND:** Colorado law authorizes the formation of special districts to provide a variety of services where those services are not provided by other governmental entities such as municipal, county, or regional authorities. The general assembly states that by providing procedures for dissolution of special districts that it seeks to reduce the proliferation, fragmentation, and overlapping of local governments and to encourage assumption of services by other governmental entities.

**Is this bill necessary this year?** No deadlines exist

**How does the bill change current law?** Existing law provides for the dissolution of special district upon application of 1) the board members of a special district, 2) registered electors of a district, or 3) the governing body of a municipality or 4) regional service authority providing the same services as the special district to petition the district court to dissolve the district. This bill add a board of county commissioners to the list of those who may apply for such a petition and to consent to the dissolution upon order of the court provided the district has no debts or outstanding financial obligations.

**Does the bill affect the prior appropriations system?** No

**How is the bill implemented?** A board of county commissions would apply to the special district board asking the district board to petition the court for an order of dissolution. If the district has no outstanding debt or financial obligations, then no election need be held, and the county commissioners can consent to the dissolution. The county (or counties if overlapping counties apply jointly) must

consent to provide the services previously provided by the special district, either directly or under contract.

**Practical Considerations?**

**Fiscal Impact:** None identified

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